

K 35738

THIS AGREEMENT, made this 28th day of February, 1983, by and between ELBERT W. STILES and WYOMING STILES, husband and wife, hereinafter referred to as "Sellers", and LAGOON ACRES, LTD., Oregon Business Trust, hereinafter referred to as "Buyer".

W I T N E S S E T H:

That in consideration of the stipulations herein contained, and the payments to be made as hereinafter specified, the Sellers hereby agree to sell, and the Buyer agrees to purchase, the following described real property situated in the County of Klamath, State of Oregon, to-wit:

A parcel of land situated in Government lots 35 and 36 in Section 20, Township 35 South, Range 7, E.W.M., more particularly described as follows:

Beginning at the Northeast corner of said Lot 35; thence S. 89°40'10" E. along the North line of said Lot 36 a distance of 645.1 feet to the Northwest corner of parcel conveyed to Lloyd Lee Hall, et ux, by deed recorded in Volume M-81, page 10708, microfilm records of Klamath County, Oregon; thence South along the West line of last mentioned parcel a distance of 667.07 feet to the South line of said Lot 36; thence N. 89°52'45" W. along the South line of Lots 36 and 35, a distance of 1290.0 feet, more or less, to the Westerly line of a 60 foot roadway; thence along said Westerly line, N. 07°03'55" E. a distance of 675.0 feet, more or less, to the North line of said Lot 35; thence S. 89°50'15" E. along said North line a distance of 561.0 feet, more or less, to the point of beginning. Said Tract containing 19.11 acres, more or less.

ALONG WITH a perpetual non-exclusive Easement for Ingress and Egress over and across a 60 foot strip of land lying parallel to, contiguous with and Westerly of the Westerly line of the above described Tract.

ALONG WITH a non-exclusive Easement for irrigation and drainage purposes ten feet in width extending from the northwest corner of the above-described property parallel and lying south of the north line of Government Lot 35 in a westerly direction to the Williamson River.

After recording return to KCTitle #4030

Mail tax statement to buyers, P.O. Box 567, Merrill
OR 97633

3118

SUBJECT TO AND EXCEPTING: Reservations, restrictions, easements, rights-of-way of record, and those apparent upon the ground: Liens and assessments of Klamath Project and Modoc Point Irrigation District, and regulations, easements, contracts, water and irrigations rights in connection therewith:

for the sum of Nineteen Thousand and No/100ths (\$19,000.00) DOLLARS, of which Four Thousand and No/100ths (\$4,000.00) DOLLARS, is paid upon execution hereof and the remaining sum of Fifteen Thousand, (\$15,000.00) DOLLARS to be paid to Sellers at Klamath County Title Company, 422 Main Street, Klamath Falls, Oregon, with interest thereon from March 1, 1983 at the rate of 10 percent per annum, at the dates and in the amounts as follows:

- (A) Not less than Two Thousand Eight Hundred Eleven and 75/100ths (\$2,811.75) DOLLARS per annum, including interest at 10% per annum, to be made on the 1st day of March, 1984 and a like payment on the 1st day of each March thereafter. The entire balance, both principal and interest, to be paid in full prior to February, 28, 1990.
- (B) Buyer shall have the right, at any time, to prepay any part or all of the balance due hereunder, without penalty of interest. In the event Buyer shall prepay part of said balance, he shall be excused from the regular annual payments due hereunder to the extent of such prepayments.
- (C) In the event any installment shall become more than fifteen (15) days past due, Sellers may, at their option, and without prejudice to any of their other rights or remedies hereunder, charge a late charge in a sum equal to 5% of the late installment. Said late charge shall be in addition to and separate from the interest that would accrue on the unpaid balance of this Contract.

Buyer shall be entitled to possession of said premises March 1, 1983.

Buyer warrants that it has purchased the property solely upon its own inspection and personal knowledge and in its present actual condition and has not relied upon any warranties or representations made by the Sellers or by any agent of the Sellers.

2. CONTRACT OF SALE

Sellers warrant and represent to the Buyer that it is lawfully seised in fee simple of the above-premises, free from all encumbrances, except as hereinbefore mentioned.

Sellers specifically warrant and covenant that Buyer shall be entitled to peaceful and uninterrupted possession of the above-described premises so long as the Buyer complies with its obligations under this Contract.

It is understood and agreed between the parties hereto that should there be any contracts, mortgages, liens, judgments or other encumbrances outstanding which Sellers have entered into or incurred during or prior to this Contract, Buyer shall have the right, upon default by Sellers in payment thereof, to make such payments and to apply the payments as part payment on this contract.

It is agreed between the parties that all the taxes, if any, shall be prorated as of February 28, 1983

The Buyer, in consideration of the premises, hereby agrees that it will pay for all statutory public and municipal liens which may hereafter lawfully be imposed upon said premises, promptly and before the same, or any part thereof, becomes past due. In the event that the Buyer shall allow the taxes or other assessment upon said property to become delinquent or shall fail to remove any lien or liens imposed upon said property, the Sellers, without obligation to do so, shall have the right to pay the amount due and to add said amount so paid to the principal remaining due under this Agreement, to bear interest thereon at the rate of 12% per annum from the advancement date.

In case the Buyer, its legal representatives or assigns, shall pay the several sums of money aforesaid punctually and at the times above specified, and shall strictly and literally perform all and singular the agreements and stipulations aforesaid

3. CONTRACT OF SALE

according to the true intent and tenor thereof, then the Sellers shall give unto the Buyer, its heirs or assigns, upon request at Klamath County Title Company, 422 Main Street, Klamath Falls, Oregon, a good and sufficient warrant deed of conveyance conveying said premises in fee simple, free and clear of encumbrances as of the date of this contract. Klamath County Title Company shall be the designated collection escrow for this Contract of Sale and shall hold the documents of title pursuant to its' standard escrow instructions.

Time is of the essence in this Contract and the Buyer covenants to promptly make all payments of principal and interest within thirty (30) days of when due and to otherwise fully and promptly perform its obligations under this Contract within sixty (60) days from notice from Sellers setting forth the deficiency, and in the event of default by the Buyer, Sellers may declare this Contract terminated and at an end, and upon such termination, all of the Buyer's right, title and interest in and to the above described property shall immediately cease. Sellers shall be entitled to the immediate possession of the described property, removing the Buyer and its effects, and all payments theretofore made by Buyer to Sellers and all improvements or fixtures placed upon the described property shall be retained by the Sellers as liquidated damages.

Sellers may, at their option, foreclose this contract by strict foreclosure in equity, and upon the filing of such suit, all of the Buyer's right, title and interest in and to the above-described property shall immediately cease, Sellers shall be entitled to the immediate possession of said property; it may enter forcibly and take possession of said property, removing the Buyer and its effects, and all payments theretofore made by Buyer to the Sellers shall be forfeited to the Sellers as

4. CONTRACT OF SALE

liquidated damages. Such right to possession in the Sellers shall not be deemed inconsistent with the suit for strict foreclosure but shall be in furtherance thereof, and in the event Buyer shall refuse to deliver possession upon the filing of such suit, Buyer, by the execution of this contract, consents to the entry of an interlocutory order granting possession of the premises to the Sellers immediately upon the filing of any suit for strict foreclosure without the necessity of the Sellers posting a bond or having a receiver appointed.

Sellers shall have the right to declare the entire unpaid principal balance of the purchase price, with interest thereon, at once due and payable, and in such event, Sellers may either bring an action at law for the balance due, thereby waiving the security, or in the alternative, may file suit in equity for such unpaid balance of principal and interest and have the property sold at judicial sale, with the proceeds thereof applied to the court costs, attorney's fees, and the balance due the Sellers and may recover a deficiency judgment against the Buyer for any unpaid balance remaining thereon.

In addition to the aforementioned remedies, Sellers shall have any and all other remedies under the law.

In case suit or action is instituted to enforce any of the provisions of this contract, the prevailing party shall be entitled to such sums as the court may adjudge reasonable as attorney's fees in said suit or action, in addition to costs and disbursements provided by statute.

The Buyer further agrees that failure by the Sellers, at any time, to require performance by the Buyer of any provisions hereof shall in no way affect the Sellers' right hereunder to enforce the same, nor shall any waiver by said Sellers of the breach of any provision hereof be held to be a

5. CONTRACT OF SALE

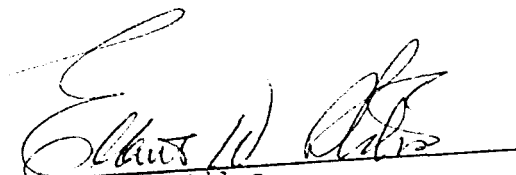
waiver of any succeeding breach of any such provisions, or as a ³¹²²
waiver of the provision itself.

It is understood and agreed by and between the parties hereto that neither this contract, nor any interest in such contract, or in the above-described property, shall be assigned, conveyed or transferred by the Buyer without the written consent of the Sellers. However, such consent shall not be unreasonably withheld.

In the event the Buyer is able to obtain a partition or subdivision of the real property described herein, the Sellers agree to provide Bargain and Sale Deeds to such property upon the following conditions: (1) That all payments due under this Contract of Sale are current; (2) Payment by the Buyer of the sum of \$1,000.00 for each acre or portion thereof, which sum shall be deducted from the remaining balance upon said Contract of Sale but shall not excuse the regular annual payments; and ~~(3) The remaining land shall not have a principal indebtedness of more than \$1,000 per acre upon the Contract of Sale.~~ *Boyle*
CWS
J.D.

The Sellers shall do and perform all acts necessary on its part and requested by the Buyer for the rezoning, partition or subdivision of the property, subject to this Contract of Sale, during the term of the Contract.

IN WITNESS WHEREOF, the said parties have hereunto set their hands in duplicate the day and year first hereinabove written.


Elbert W. Stiles

Wyoming Stiles 3123
Wyoming Stiles

SELLERS

LAGOON ACRES, LTD an
Oregon Business Trust

By: [Signature] agent
BUYER

STATE OF OREGON,

County of Klamath

ss.

FORM NO. 23 — ACKNOWLEDGMENT
STEVENS-NESS LAW PUB. CO., PORTLAND, ORE.

BE IT REMEMBERED, That on this 1st day of March, 19 83,
before me, the undersigned, a Notary Public in and for said County and State, personally appeared the within
named Elbert W. Stiles & Wyoming Stiles

known to me to be the identical individuals described in and who executed the within instrument and
acknowledged to me that they executed the same freely and voluntarily.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed
my official seal the day and year last above written.

[Signature]
Notary Public for Oregon
My Commission expires 8-6-83

STATE OF OREGON; COUNTY OF KLAMATH; ss.

Filed for record .

This 1st day of March A.D. 19 83 at 2:45 o'clock P.M., and
duly recorded in Vol. M83, of Deeds on Page 3117.

EVLYN BIEHN, County Clerk
By [Signature]

Fee \$28.00

7. CONTRACT OF SALE